



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029**

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

JUN 23 2010

Mr. Jeff Smith
Perdue Farms Incorporated
P.O. Box 1537
Salisbury, Maryland 21802-1537

Dear Mr. Smith:

I wanted to thank you for accommodating Region III on April 28, 2010 during its review of the Perdue's Clean Waters Environmental Initiative. EPA appreciated the opportunity to discuss the current status of Perdue's environmental activities, including the status of the on-farm assessments being conducted on the Delmarva Peninsula.

At the time of the review, Perdue had completed the first assessment on all 233 Perdue Producer farms on the Delmarva Peninsula with a capacity of greater than 100,000 birds. At that time, Perdue had started to conduct the second round of assessments for the Delmarva North Complex farms, and Perdue was about halfway through the second round of assessments for the Delmarva South Complex farms.

As stated in the Perdue Clean Waters Environmental Initiative, information gathered from EPA's annual evaluation of Perdue's program will be used to assess the effectiveness of the program and make any necessary modifications. During EPA's evaluation, Perdue provided EPA access to review over 100 of the on-farm assessment files. EPA observed files for approximately 100 randomly selected farms during its review. The files were well-organized and included the farm number, environmental assessment checklist, notes recorded by the assessor, and documentation of any follow-up visits that occurred. EPA's review focused primarily on farms with documented environmental concerns. EPA observed that Perdue's on-farm assessments identified many different environmental concerns that Perdue required its growers to correct, including improper housekeeping, improper composting, manure spillage, and leaking manure sheds. EPA observed that Perdue usually conducted a follow-up visit one or two weeks later, at which time most of the issues had been promptly resolved by the grower.

EPA also discussed Perdue's Deviation Notification procedures. At that time, no growers had been dropped by Perdue as a result of the deviation response procedures. EPA observed that that nine farms were currently under the deviation notification procedure. Perdue had not placed birds at these nine farms and would not be placing birds until Perdue's environmental concerns had been addressed. Of the nine farms:

- One farm had no Nutrient Management Plan ("NMP");
- One farm had no NMP and no Virginia Pollution Abatement ("VPA") permit;
- Four farms had expired NMPs;
- Two farms had housekeeping issues; and
- One farm had improper mortality management.

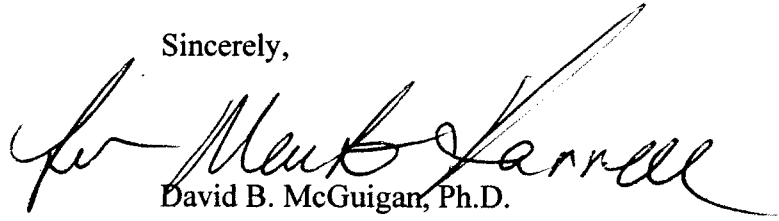
During the evaluation, EPA noted that Perdue had arranged to have all of Perdue's Delmarva flock supervisors attend an all-day Delaware Nutrient Management Certification training in Georgetown, Delaware on May 6, 2010. After completing this training, Perdue's flock supervisors in Delmarva will be certified Nutrient Generators in Delaware. This is an important training element that will further the flock supervisors' ability to educate growers and detect and correct deficiencies observed during assessments and routine visits to grower farms.

By November 2010, Perdue will complete the second on-farm assessment for all 233 Delmarva farms with a capacity of greater than 100,000 birds. By December 31, 2010, EPA expects that Perdue will provide EPA with a Phase 1 progress report documenting program implementation to date. EPA will work with Perdue over the next few months to determine and develop appropriate metrics to include in the Phase 1 progress report. The Phase 1 progress report should identify areas where the program has had success, as well as areas where the program could be improved.

As the program evolves in this era of the Chesapeake Bay Total Maximum Daily Load ("TMDL"), it will be important that it is aligned with State TMDL Watershed Implementation Plans which will call for verified actions that accelerate nutrient and sediment reductions from many sources, including agriculture. EPA's recent *Guidance for Federal Land Management in the Chesapeake Bay Watershed* provides a comprehensive list of proven, cost-effective practices that we believe can help us move towards our 2025 goal for the Bay restoration. Although this document was developed for federal lands, it presents practices and actions that are applicable to lands managed by nonfederal land managers as well, particular those relating to nutrient management and manure management which will be critical practices for reducing agricultural loads on the Eastern Shore. EPA appreciates the efforts that Perdue has made to move chicken litter out of the Chesapeake watershed through its litter pelletizer operation and is interested in exploring with Perdue additional opportunities for Bay restoration.

EPA appreciates Perdue's cooperation in the conduct of this program evaluation. Should you have any questions pertaining to this matter, please contact Hank Zygmunt at (215) 814-5750 or Mark Zolandz at (215) 814-2319.

Sincerely,

A handwritten signature in black ink, appearing to read "David B. McGuigan". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

David B. McGuigan, Ph.D.

Associate Director

Office of NPDES Permits and Enforcement

Water Protection Division